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Michael J. Boydston, Esq. (6RC-5)
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1445 Ross Avenue
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Re: Molycorp, Inc., Questa, New Mexico

Dear Mike:

Enclosed is a copy of the "Interim Report: Questa Waste Rock Pile Drilling, Instrumentation and Characterization Study" (September 6, 1999) prepared by Robertson GeoConsultants Inc. The enclosed report analyzes the data from boreholes drilled into the waste rock piles. The bottoms of those boreholes -- which were drilled to the bottoms of the piles -- were dry. The enclosed report explains the likely reason that the piles tested have no acid rock drainage at their base. One contributing factor appears to be the movement of warm air from the bottom to the top of these rock piles, which are shallow and rest on steep mountain slopes. This air movement appears to be controlling the migration of water through the piles.

If the preliminary data are confirmed, there is no release from the waste rock piles, so they are not harming the environment or creating Superfund liability.

Please call if you would like to discuss the situation at Questa, or if you would like additional copies of the enclosed report.

Sincerely,



Richard E. Schwartz

cc: John H. Pugh, Esq.
Mr. David R. Shoemaker
Mr. Geyza I. Lorinczi

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